

MINUTES
MICHIGAN STATE TRANSPORTATION COMMISSION MEETING
June 26, 2003
Houghton, Michigan

Meeting noticed in accordance with Open Meetings Act, Public Act 267 of 1976.

Present: Ted Wahby, Chairman
C. Robert Baillod, Commissioner
John Garside, Commissioner
Lowell Jackson, Commissioner

Also Present: Gloria J. Jeff, Director
Rob Abent, Bureau of Multi-Model Transportation
Terry Anderson, Bureau of Highway Development
Sharon Edgar, Bureau of Multi-Model Transportation
John Friend, Bureau of Highway Delivery
Myron Frierson, Bureau of Finance and Administration
Leon Hank, Chief Administrative Officer
Jerry Jones, Commission Auditor
Pat Isom, Assistant Attorney General
Patricia Lockwood, Commission Advisor
Susan Mortel, Bureau of Transportation Planning
Kirk Steudle, Chief Deputy Director
Larry Tibbits, Chief Operations Officer

Excused: Robert Bender, Commissioner
Betty Jean Awrey, Vice Chairwoman

A list of those people who attended the meeting is attached to the official minutes.

Chairman Wahby called the meeting to order at 9:05 a.m. in the Best Western Franklin Square Inn Conference Room in, Houghton, Michigan.

COMMISSION BUSINESS

Commission Minutes

It was moved by Commissioner Lowell Jackson, with support from Commissioner John Garside, to approve the minutes of May 28, 2003, as submitted. The motion carried on a unanimous voice vote.

WELCOME

Mr. Scott MacInnes, City Manager of Houghton, welcomed the Commission. He thanked the Commission for their support of City projects.

Mr. Glenn Anderson, City Manager of Hancock, welcomed the Commission on behalf of the City. He also thanked the Commission for their project support.

Chairman Wahby thanked them for their hospitality and commended the work of MDOT staff.

DIRECTOR'S REPORT

Director Gloria Jeff's reported on the trip to Washington, D.C. that took place on June 19-20th. The purpose of this trip was to meet with members of Congress to discuss re-authorization of TEA-21, border crossings, safety, homeland security DARTA and lobby for additional dollars to be returned to Michigan. Commissioner Wahby, MDOT staff and our Michigan transportation partners were in attendance. Meeting took place with Congressional delegates Kildee, Cheeks-Kilpatrick, Petri, Hoekstra, Knollenberg, Ehlers, Sander Levin, and Miller, Senators Levin and Stabenow. In addition, representatives from the Federal Highway Administration and Governor Granholm's D.C. staff. The trip was beneficial and we will be diligent in pursuing Michigan's fair share of federal dollars throughout the year.

An announcement will take place later today awarding an infrastructure bank award to the City of Marquette to assist with their clean up due to the flooding in June. Thank you to the MDOT's Superior Region for their assistance in Marquette.

MDOT's Five Year Road & Bridge Program, FY 2003-2007

Director Jeff noted that the plan had been thoroughly discussed with the commissioners at the public workshop held on June 25th. and expressed her gratitude to the commissioners for their input and support of the updated version of the plan. Highlights of the plan are as follows:

- \$1.2 billion a year capital program
- Preserve first
- Revenue assumptions state/federal
- Bonding capacity
- Deferrals
- MDOT to conduct listening sessions - strike balance work
- Preservation vs capacity
- Bonding
- Preservation goal

Listening sessions:

- Meetings held, with 11 sessions during a 2-week period
- Held in each MDOT region
- Approximately 300 persons attended
- County road commissioners, city and village, MPOs
- Received 100 written responses
- Heard concerns about freeway/bridge/state long-range plan
- Mechanism for un-deferring projects

- Re-evaluating program balance; 4 ways to do this:
 1. Additional bonding for capacity increases
 2. Less preservation
 3. Extend the time to achieve current preservation goal
 4. Lower Goal

- Assume 3.2% federal aid

- GARVEES - notes cost about 1% - short-term notes
- Flatten out payment peak 07-09

- USA today report - MI in top five managing debt rate

- Slide show included graphs with GARVEE repayment schedule and refinancing

- Debt service coverage ratio FY 03-15
- Goal of 5 to 1 ratio debt service - being very prudent with use of debt

- Re-evaluate the preservation goal
 - It can not be accomplished quickly
 - Major program restructure

- Next technical steps:
 - Next two weeks - long-term model, plan next few months, workshop

- 5-year program balance adjustment graph FY 03-07

- Statewide Investment Strategy - changes made from May to June

Recommendations to approve 5 year plan with the following changes:

- change the balance of program
- bond an additional \$200 million
- projects identified back to Commission in July
- re-evaluate the preservation goal for 04-08 plan

Director Jeff concluded her presentation of the 5 year plan and Chairman Wahby asked if there were any questions from the Commission. Hearing none the following resolution was read by Commissioner Baillod:

**Michigan State Transportation Commission Resolution 2003
Support for the 2003-2007 Five Year Road & Bridge Program**

- Whereas, the State Transportation Commission was presented the draft 2003-2007 Five Year Road & Bridge Program on May 29,2003; and
- Whereas, the State Transportation Commission requested public comment on the Five Year Program and review of the program balance; and
- Whereas, eleven listening sessions were conducted throughout Michigan with at least one session being held in each MDOT region; and
- Whereas, the adjusted Five Year Program will maintain an average program size over the five years of \$1.26 billion annually; and
- Whereas the MDOT has committed to working with the Governor and the Metropolitan Planning Organizations to identify the projects to proceed to construction, consistent with the federal planning process; and
- Whereas, the Michigan Department of Transportation will also initiate workshops to begin the reevaluation of the pavement goal; now therefore be it
- Resolved, that the State Transportation Commission approves the 2003 - 2007 Five Year Road & Bridge Program and changes in the statewide investment strategy as outlined on the attached page.

Adopted by the Michigan State Transportation Commission on June 26, 2003.

Resolution

Baillod MOVES for adoption of the resolution with support from Garside. No comments received, Roll Call:

Baillod-yes; Garside-yes; Jackson-yes; Wahby-yes; Motion passes.

Chairman Wahby added to the minutes that Commissioner's Awrey and Bender also have indicated their support for the resolution.

Director Jeff thanked the staff for their work and great effort.

OVERSIGHT

Commission/State Administrative Board Contracts and Agreements (Exhibit A)

Pat Lockwood stated corrections to the information item.

It was moved by Commissioner Garside, with support from Commissioner Baillod, to grant approval to the Department to proceed with the contract process. The motion carried on a unanimous voice vote.

Bid Letting Pre-Approvals (Exhibit A-1)

It was moved by Commissioner Jackson, with support from Commissioner Baillod, to grant approval to the Department to proceed with the contract process. The motion carried on a unanimous voice vote.

Contract Adjustments

John Friend, Bureau of Highway Delivery, reported on the contract extras and overruns, Exhibit B.

John Friend - 2 justification letters - review projects - asking for approval.

Commissioner Jackson questions identical bids and asks Attorney Isom to review.

John Friend - provided a brief synopsis:

- 2003-27 metro project - typical problems

- 2003-29 university region/mill and resurface project

- 2003-36 \$46 million project bridge painting - 9 bridges had paint from 1970's that made it tougher to remove -

- 7-3 estimate design - simple conversion error KM to miles

- another project - substantially over bid - drain extension

Questions - none

It was moved by Commissioner Garside, with support from Commissioner Baillod, to grant approval to the Department to proceed with the contract process. The motion carried on a unanimous voice vote.

PRESENTATIONS

Dr. Tess Ahlborn, Michigan Tech Transportation Institute (MTTI); Terry McNinch, Director LTAP (Local Technical Assistance Program), TDG (Technology Development Group)

IAR - Institute for Aggregate Research

CSD - Center for Structural Durability

TMRC - Transportation Materials Research Center

Construction Research

The Pavement Enterprise

LTAP overview:

- Workforce Development

- LTAP training

- LTAP conferences

TDG overview:

- technical publications

- training videos

- software development - RoadSoft GIS

Handouts were provided for Commissioners, Chairman Wahby thanked Michigan Tech staff for the informative tour and presentations on LTAP and RoadSoft held at the University on Wednesday.

Capacity Projects - Jim Manderfield, Houghton County Road Commission

Comments on the State maintenance contract:

- seasonal changes

- summer projects cut back

- winter oriented State Maintenance budget - hope to remain significant part of that budget

MDOT - Superior Region Update - Randel VanPortfliet, Region Engineer

- handout provided

- update: Ishpeming TSC - flooding

- FEMA support/Lansing and region people

- US41/M26 City of Houghton Bridge project/pedestrian tunnel

- Ontonagon project - \$29 million - replace swing bridge

Transportation Asset Management Council Update - Pat Lockwood, Advisor

June meeting was held in Grand Rapids with the focus being the training sessions for RoadSoft.

PUBLIC COMMENTS

Don Scherer - handout/attachments

- US127 action committee - advocacy group
- Strategy for last 16 miles between St. Johns and Ithaca
- Deferral list
- 4 points:
 1. not a freeway - mini-projects that have fixed problems in the corridor
 2. non-completion of project - can't get equipment through
 3. Safety issues
 - farm vehicles
 - heavy truck equipment
 - housing in Clinton county - commute
 4. Economic development issues - lack of limited access highway, would like to be considered favorably in reallocation of funds.

Brad Huffner - comments on 5-year plan

- Thanked MDOT for continued work on US127 corridor
- 16 miles between St. Johns and Ithaca
- Project is vital to local counties - tourism - agriculture (safety and access issues)
- New challenge - MDOT purchase of properties - properties now off tax rolls
- Thanked Director Jeff and staff for work/support.

Comments -Commissioner Baillod thanked those for attending, sincere appreciation to staff of MDOT and staff of Michigan Tech.

ADJOURNMENT

Chairman Wahby adjourned the meeting at 10:33 a.m.

Patricia A. Lockwood
Commission Advisor